

\$50  
New No

LAW OFFICES  
ALVORD AND ALVORD

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1984)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D. C.

20006-2973

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF D.C. BAR

December 9, 1983

14215  
RECORDATION NO. 14215  
DEC 9 1983 - 11 45 PM

3-343A-19

INTERSTATE COMMERCE COMMISSION No.

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Date

Fee

ICC Washington, D. C.

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440348 CDAA UI

FREE OPERATION BR.

DEC 9 11 40 AM '83

RECEIVED

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and three counterparts of a Railroad Equipment Purchase Agreement dated as of November 1, 1983, a primary document as that term is defined in the Commission's Rules for the Recordation of Documents.

A general description of the railroad equipment covered by the enclosed documents is set forth in Exhibit A attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed document are:

Vendor: Wells Fargo Leasing Corporation  
101 California Street, Suite 2800  
San Francisco, California 94111

Vendee: American Railroad Maintenance Equipment, Inc.  
319 South Main Street  
P.O. Box 475  
Wayne City, Illinois 62895

The undersigned is agent for the Vendor named above for the purpose of submitting the enclosed document for filing and recordation and has knowledge of the matters contained therein.

Kindly return the stamped copies of the enclosed document not needed for your files to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

*C. T. Kappler*  
*C. Alvord*

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
December 9, 1983  
Page Two

Also enclosed is a check in the amount of \$50  
payable to the order of the Interstate Commerce Commission  
covering the required recordation fee.

Very truly yours,


  
Charles T. Kappler

EXHIBIT A

LOUISVILLE & NASHVILLE RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3600301	031	Tie Sprayer
3600301	032	Tie Sprayer
3600301	005	Kershaw Tie Saw
3600301	006	Kershaw Tie Saw
3600301	009	Plasser Tamper
3600301	012	Kershaw Dual Tie Saw
3600301	021	8 Rail Grinders
3600301	020	10 Rail Drills
3600301	023	Dual Tie Saw
3600301	024	Hydraspiker
3600301	026	Dual Tie Saw
3600301	027	Dual Tie Saw
3600301	029	Ballast Regulator
3600301	030	Ballast Regulator
3600301	028	Switch Tamper

# ST. LOUIS — SAN FRANCISCO RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500311	008	Ballast Regulators
3500311	009	Canson Mark II Tamper
3500311	011	Consolidator
3500311	012	Consolidator
3500311	010	Tamper
3500311	013	Yard Cleaner
3500311	015	Truss Tamper
3500311	014	Spike Setter

# BURLINGTON NORTHERN RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500246	003	Racine Anchor Applica'
3500246	001	Tamper EAJDG
3500246	002	Tamper BEB17
3500246	004	Tamper EAJG
3500246	005	Racine Anchor Applica'
3500246	006	Tamper EAJG
3500246	007	Tamper EAJG
3500246	008	Tamper EAJG
3500246	009	Tamper BEB17
3500246	012	Tamper BEB17
3500246	013	Kershaw Ballast Regula'
3500246	017	Jackson Tamper 2800
3500246	018	Jackson Tamper 2800
3500246	019	Nordberg Hydraspiker
3500246	020	Nordberg Hydraspiker
3500246	021	RMC Auto-spiker
3500246	022	RMC Auto-spiker
3500246	010	Portable Air Compressor
3500246	011	Portable Air Compressor
3500246	014	Portable Air Compressor
3500246	015	Elec Tamper
2500246	016	Elec Tamper
3500246	023	Dual Spike Driver
3500246	026	Kershaw Ballast Regulat
3500246	027	Kershaw Ballast Regula'
3500246	028	Galion Diesel Crane
3500246	029	Fairmont Tie Remover
3500246	024	Tamper
3500246	025	Tamper
3500246	030	Hydraulic Mobile Crane

# ILLINOIS CENTRAL RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500410	006	Mark II Autojack Tamper
3500410	007	Mark II Autojack Tamper
3500410	008	Mark II Autojack Tamper
3500410	009	Mark I 16-Tool Tamper
3500410	010	Mark I 16-Tool Tamper
3500410	011	Mark I 16-Tool Tamper
3500410	012	Mark II Autojack Tamper
3500410	013	Mark I 16-Tool Tamper
3500410	014	Mark I 16-Tool Tamper
3500410	016	Mark I 16-Tool Tamper
3500410	017	Mark II Autojack Tamper
3500410	018	Mark II Autojack Tamper
3500410	015	Mark I 16-Tool Tamper
3500410	019	Mark II Autojack Tamper

# SOUTHERN PACIFIC

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100419	001	Ballast Regulator
3100401	014	Ballast Equipment
3100401	018	Spike Driver
3100419	003	Tie Handler
3100401	157	Yard Handlers
3100401	031	Tie Remover
3100401	034	Tamper Elec
3100401	038	Spike Pullers
3100419	006	Spike Puller
3100401	114	Automatic Liner
3100401	131	Tampers
3100443	530	Tie Sprayer
3100401	170	Ballast Equipment
3100401	169	Tamper
3100427	003	Tamper MK I
3100401	173	Tamper MK I
3100401	175	Ballast Regulator
3100401	176	Ballast Regulator
3100401	180	Ballast Regulator
3100427	002	Scarifier
3100401	177	Tie Handler
3100401	182	Ballast Regulator
3100401	183	Ballast Regulator
3100401	186	Spot Tamper
3100427	001	Tie Handler
3100401	187	Roadmaster
3100401	189	Tamper
3100401	191	Electric Tamper
3100401	192	Crib Cleaner
3100401	193	Spot Tamper
3100401	199	Tamper
3100401	234	Spike Driver
3100401	235	Tamper
3100401	236	Cleaner
3100427	004	Spike Puller
3100401	242	Regulator
3100401	244	Gaging Mac
3100401	245	Tie Bed
3100401	246	Spike Driver
3100401	248	Lift Truck
3100401	249	2 Regulators
3100401	250	Cleaner
3100401	251	Regulators
3100401	253	Regualtor
3100401	258	Regualtor
3100401	259	Tie Bed
3100401	264	Tie Crane

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100401	274	Tie Bed
3100401	277	Electric Tamper
3100401	280	Spike Puller
3100401	281	Spike Puller
3100401	294	Track Liner
3100427	005	Regulator
3100401	279	Spike Puller
3100401	289	Hydr Tie
3100401	291	Tamper
3100443	392	Ballast Regulator
3100443	391	Gagin Machine
3100443	390	Yard Cleaner
3100443	393	Ballast Regulator
3100443	405	Ballast Regulator
3100443	406	Ballast Regulator
3100443	408	Yard Cleaner
3100443	413	Regulator
3100443	422	Tie Remover
3100433	423	Tie Remover
3100433	436	Tie Remover
3100427	021	Tie Remover
3100427	022	Tie Remover
3100443	412	Regulator
3100443	420	Tamper
3100443	414	Ballast Regulator
3100443	419	Ballast Regulator
3100443	437	Spike Puller
3100443	415	Hydra Spiker
3100443	438	Spike Puller
3100443	416	Ballast Regulator
3100443	478	Spike Driver
3100443	417	Ballast Regulator
3100427	019	Rail Lifter
3100443	435	Hydraspiker
3100443	456	Tamper
3100443	469	Rail Lifter
3100443	470	Rail Lifter
3100443	471	Rail Lifter
3100443	472	Rail Lifter
3100443	473	Rail Lifter
3100411	476	Rail Lifter
3100443	577	Rail Lifter
3100427	016	Sweeper
3100443	459	Spike Puller
3100443	460	Spike Puller
3100443	467	Spike Puller
3100443	428	Power Sweeper
3100443	465	Tie Crane
3100427	020	Tie Crane



<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100443	461	Spike Puller
3100443	444	Tamper
3100443	466	Tie Handlers
3100443	508	Spike Puller
3100443	483	Gager
3100443	489	Brush
3100443	491	Brush
3100443	487	Brush
3100443	458	Sweeper
3100443	463	Spike Puller
3100443	464	Spike Puller
3100443	481	Tamper
3100443	486	Brush
3100443	479	Tamper
3100443	490	Brush
3100443	493	Rail Lifter
3100443	484	Tamper
3100443	488	Brush
3100443	462	Spike Puller
3100443	492	Rail Lifter
3100443	497	Tie Handler
3100443	485	Track Broom
3100443	498	Switch Tamper
3100443	507	Rail Lifter
3100443	512	Tamper
3100443	514	Tamper
3100443	513	Tamper
3100443	499	Tamper
3100443	500	Tamper
3100443	517	Tie Handler
3100443	519	Tamper
3100443	520	Tie
3100443	522	Tie Handler
3100443	523	Tie Handler
3100443	524	Tie Handler
3100443	528	Prime Mover
3100443	574	Rail Lifter
3100443	539	Hydra Tie
3100443	572	Rail Lifter
3100443	541	Track Liner
3100443	542	Rail Lifter
3100443	553	Tie Removers
3100443	575	Rail Lifter
3100443	573	Rail Lifter
3100443	545	Track Liner
3100443	546	Track Liner
3100443	547	Track Liner
3100443	581	Spike Driver
3100443	554	Track Liner
3100443	555	Track Liner
3100443	558	Spike Drivers
3100443	560	Spike Drivers
3100443	580	Tie Bed

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100443	584	Spike Driver
3100443	559	Spike Driver
3100443	583	Spike Driver
3100443	562	Track Liner
3100443	563	Track Liner
3100443	561	Tie Remover
3100443	564	Track Liner
3100442	571	Tie Remover
3100443	565	Tie Bed
3100443	582	Spike Driver
3100443	567	Spike Driver
3100443	566	Track Liner
3100443	570	Tie Bed
3100443	578	Tie Bed
3100443	579	Insertor
3100401	292	Tamper
3100401	293	Tie Bed
3100401	295	Track Liner
3100401	926	Regulator
3100401	301	Hydra Tie
3100401	302	Tamper
3100401	303	Tamper
3100401	308	Tie Remover
3100401	315	Tamper
3100401	318	Tamper
3100401	320	Tamper
3100401	316	Regulators
3100401	321	Tamper
3100401	322	Tamper
3100401	323	Tamper
3100401	329	Tamper
3100401	330	Tamper
3100427	006	Tie Remover
3100401	326	Tamper
3100401	327	Tamper
3100401	333	Tamper
3100401	355	Tamper
3100443	360	Spike Driver
3100443	361	Hydraspiker
3100443	362	Hydraspiker
3100443	367	Hydraspiker
3100443	368	Hydraspiker
3100443	370	Yard Cleaner
3100443	371	Yard Cleaner
3100443	375	Spike Driver
3100443	378	Spike Driver
3100443	379	Spike Driver
3100443	380	Spike Driver
3100443	381	Tamper
3100443	383	Spike Driver
3100443	383	Spike Driver
3100443	384	Spike Driver

**Interstate Commerce Commission**

**Washington, D.C. 20423**

**12/9/83**

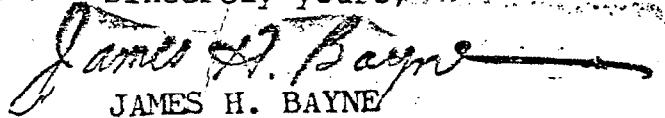
**OFFICE OF THE SECRETARY**

**Charles T. Kappler, Esq.  
Alvord & Alvord  
918 16th St. N.W.  
Washington, D.C. 20006**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **12/9/83** at **11:45am** and assigned re-recording number(s). **14215**

Sincerely yours,

  
JAMES H. BAYNE

Secretary

Enclosure(s)

RAILROAD EQUIPMENT PURCHASE AGREEMENT

14215  
RECORDATION NO. \_\_\_\_\_ Filed 1425  
DEC 9 1983 - 11 45 PM  
INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT is dated as of November 1, 1983 between WELLS FARGO LEASING CORPORATION, a California corporation ("WFLC") and AMERICAN RAILROAD MAINTENANCE EQUIPMENT, INC., an Illinois corporation ("Purchaser").

RECITALS

1. WFLC is the owner of multiple Units of railroad Equipment (individually a "Unit" and collectively "Units" or the "Equipment"), all as more fully described in Exhibit A attached hereto.

2. As of the date hereof, all of the Equipment is on lease to various lessees, to wit Burlington Northern Railroad, Illinois Central Railroad, Louisville/Nashville Railroad, St. Louis-San Francisco Railroad, Southern Pacific Transportation Company and Southern Pacific (hereinafter individually referred to as the "Lessee" and collectively referred to as the "Lessees") pursuant to one or more equipment leases ("Leases") entered into between WFLC and each of the Lessees.

3. Subject to the purchase rights of the Lessees, WFLC desires to sell all of the Equipment to Purchaser, and Purchaser desires to purchase all of the Equipment from WFLC, all on the terms and conditions set forth in this Agreement.

4. As additional security for its obligations under this Agreement, Purchaser is willing to guarantee its purchase of the Equipment, in the form of corporate and personal guarantees in favor of WFLC covering the obligations of Purchaser hereunder.

## AGREEMENT

NOW THEREFORE, in consideration of the premises and of the mutual covenants hereinafter contained, the parties hereto agree to as follows:

1. Purchase and Sale; Closing Dates.

(a) In consideration of the Purchase Price (as defined in Section 2 below), on various Closing Dates (as hereafter defined), WFLC agrees to sell, sign, transfer and convey to Purchaser all of WFLC's right, title and interest in and to the Equipment, on an as-is, where-is condition and, concurrently with the purchase and sale of the Equipment on each Closing Date, WFLC agrees to deliver to Purchaser a bill of sale (the "Bill of Sale") with respect to each Unit accepted and paid for by the Purchaser on each such Closing Date. The Bill of Sale to be issued by WFLC will take the form of Exhibit B attached hereto.

(b) WFLC and Purchaser agree to arrange separate Closing Dates with respect to the Equipment on up to twelve (12) mutually agreeable business days prior to December 31, 1988. Each Closing Date shall occur on the earlier of (i) resale or lease of any Unit accepted by Purchaser or (ii) 180 days following Purchaser's acceptance of a Unit (as hereinafter provided). It is specifically agreed for purposes of this Agreement that Closing Dates shall occur no more frequently than monthly and for amounts not less than \$50,000 per Closing Date.

2. Purchase Price. The Purchase Price for each Unit of Equipment shall equal the respective amount set forth in Exhibit A hereto, and Purchaser shall pay WFLC in cash or other immediately available funds for each Unit purchased on each Closing Date.

3. Acceptance of the Equipment.

(a) Prior to the Closing Date with respect to each Unit, the Purchaser will be responsible at its own cost and expense for any inspection of the Equipment. WFLC agrees to assume responsibility for transportation of the Units to an interchange point of Southern Pacific Transportation Company in St. Louis, Missouri, where Purchaser will execute Acceptance Certificates with respect thereto on or prior to December 31, 1988. The date of each Acceptance Certificate shall be referred to as an Acceptance Date. Following acceptance of each Unit, Purchaser agrees to assume all risk of loss for such Unit and will be responsible for all costs and expenses relating to the Equipment, including but not limited to storage, transportation, taxes, impositions, insurance and maintenance of the Equipment. Risk of loss will pass with respect to each Unit from WFLC to Purchaser on the Acceptance Date for each such Unit.

(b) Until the Acceptance Date for each of the Units, Purchaser reserves the right to reject, and not accept for purchase under this Agreement, any such Unit. WFLC and Purchaser agree that a Unit may only be rejected if found by Purchaser, acting in good faith, to contain an irremediable defect or be in a condition unsatisfactory for general purpose maintenance of way usage. In the event of rejection of any Unit, Purchaser agrees to provide prompt written notice thereof to WFLC, including the reasons for Purchaser's rejection, and Purchaser further agrees at its exclusive cost and expense to transport any such rejected Unit to the original location where WFLC received such Unit from the Lessee upon expiration of the respective Lease or, at WFLC's option, to any other location designated by WFLC within 1500 miles of San Francisco, California.

4. Interim Period Covenants. During the period between the Acceptance Date and Closing Date for each Unit of Equipment (hereinafter referred to as the "Interim Period"), Purchaser covenants and agrees as follows:

(a) Liens. Purchaser will not mortgage, encumber or directly or indirectly create, incur, assume or suffer to exist any liens (hereafter called "Liens"), on or with respect to the Equipment, title thereto or any interest therein (and the Purchaser will promptly, at its own expense, take such action as may be necessary to discharge any such Lien) except (i) the rights of WFLC under this Agreement and under leases or subleases made by WFLC, as herein referenced; or (ii) Liens arising from events occurring prior to the date of this Agreement, or from any person claiming through or under WFLC.

(b) Impositions. Purchaser agrees to pay when due and to indemnify WFLC, and to hold WFLC harmless from and against, all income, franchise, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature, licensing or registration fees, together with any penalties, fines or interest thereon and reasonable attorneys' fees incurred by WFLC with respect thereto ("Impositions") arising out of the transactions contemplated by this Agreement and imposed against WFLC, the Purchaser, any Lessee, sublessee or user of the Equipment by any Federal, state, local or foreign government or taxing authority or private institution upon or in respect of the Equipment, including the sale, purchase, ownership, delivery, lease, sublease, possession, use, operation, return or other disposition thereof or upon the rentals, receipts or earnings arising therefrom, or upon or in respect of this Agreement.

(c) Loss or Destruction. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged or permanently rendered unserviceable for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (such occurrences being hereafter called an "Event of Loss"), Purchaser shall promptly notify WFLC with respect thereto and within sixty (60) days following such Event of Loss, but in any event later than the scheduled Purchase Date for such Unit, Purchaser shall pay to WFLC the full Purchase Price due under this Agreement, and any other amounts then due with respect to such Units (hereinafter referred to as the "Casualty Value"). Upon making such Casualty Value payment with respect to any such Unit, Purchaser's obligations to make further payments shall cease and Purchaser shall be entitled to recover possession of such Unit, unless possession of such Unit is required to be delivered to an insurance carrier providing insurance with respect to the Unit in order to settle an insurance claim arising out of an Event of Loss. WFLC shall be under no duty to Purchaser to pursue any claim relating to the Event of Loss or against any governmental authority, but Purchaser may at its own cost and expense pursue the same in such manner as may be reasonably satisfactory to WFLC.

(d) Insurance. Purchaser will at all times during the Interim Period, at its sole expense, keep or cause to be kept each Unit insured against loss on an "all-risk" basis in an amount at least equal to the Purchase Price for such Unit. Purchaser shall also maintain general public liability insurance with respect to the Unit against damage because of bodily injury, including death or damage to property of others, such insurance to afford protection to the limit of not less than \$25,000,000 per occurrence combined single limit or such greater amount as WFLC shall reasonably require. All such insurance shall cover the interest of WFLC in the Units, and liability insurance shall name WFLC as additional insured in respect of risks arising out of the condition,



the maintenance, use or ownership of the Units and shall provide that losses, if any, in respect of the Units shall be payable to Purchaser and WFLC, as their respective interests may appear. All policies of insurance maintained pursuant to this Agreement shall provide that the insurer thereunder waives all rights of subrogation against Purchaser and WFLC, that 30 days' written notice of expiration or termination shall be given to WFLC and that such insurance as to the interest of WFLC therein shall not be impaired or invalidated by any act of neglect of WFLC or Purchaser or by any foreclosure or other remedial proceedings or notices thereof relating to the Equipment or any interest therein nor by any changing of title or ownership of the Units or any interest therein or with respect thereto or by the use or operation of the Units for purposes more hazardous or in a manner more harardous than permitted by such policy. No such policy shall contain a provision relieving the insured thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Units against the peril involved, whether collectible or not; provided, however, that such policy may relieve the insurer thereunder of such liability to the extent that payment is made by a railroad company as compensation for the destruction beyond repair of a Unit pursuant to applicable rules of the Interstate Commerce Commission, the United States Department of Transportation and the American Association of Railroads. Purchaser shall furnish WFLC with certificates of insurance or other satisfactory evidence of maintenance of the insurance required hereunder and with respect to any renewal policy or policies shall furnish certificates evidencing such renewal prior to the expiration date of the original policy or policies. The proceeds of any insurance received by WFLC on account of or for any loss or casualty in respect of any Unit shall be applied as follows: (i) if such Unit has been repaired, such proceeds shall be paid to Purchaser upon a written application signed by any authorized officer of Purchaser for the payment of, or to reimburse Purchaser for the payment of, the cost of repairing such Units so long as the repair parts become immediately subject to all of the terms

and conditions of this Agreement, or (ii) if any Unit suffers an Event of Loss, such proceeds shall be applied in accordance with Section 4(c) hereof. Purchaser and WFLC agree that, if according to any generally accepted industry standards for owners and lenders of railroad rolling stock similar to the Equipment, broader insurance coverage becomes appropriate, insurance coverage under this Agreement will be modified to conform with that standard. Purchaser and WFLC further agree that WFLC may maintain such policies of excess or additional insurance on, or with respect to, the Equipment as WFLC may elect and that premium costs and recoveries allowed to WFLC under such policies shall be for the exclusive account of WFLC.

(e) Inspection. WFLC shall have the right, but not the duty, to inspect any Unit at any time prior to the Closing Date with respect to such Unit. Upon the request of WFLC, Purchaser shall inform WFLC of the last known location of each Unit and, as to all Units in the possession of Purchaser, shall make Purchaser's records available to WFLC for inspection at any reasonable time at such location.

5. Disclaimer of Warranties; Indemnification.

(a) WFLC DOES NOT MAKE, HAS NOT MADE ANY AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, OPERATION OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT OR ANY COMPONENT THEREOF DELIVERED TO THE PURCHASER HEREUNDER, AND WFLC MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT OR ANY COMPONENT THEREOF FOR ANY PARTICULAR PURPOSE, NOR ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH

RESPECT TO ANY UNIT OR ANY COMPONENT THEREOF (EITHER UPON DELIVERY THEREOF TO THE PURCHASER OR OTHERWISE), it being agreed that all such risks, as between WFLC and the Purchaser, are to be borne by the Purchaser. WFLC hereby authorizes and appoints the Purchaser to act as its agent and attorney-in-fact during the Interim Term to assert and enforce from time to time, in the name of and for the account of WFLC and/or the Purchaser, as their interests may appear and at the Purchaser's sole cost and expense, whatever claims and rights WFLC may have against (i) the original manufacturer of the Equipment, or (ii) any third party vendors of components supplied to the Equipment. WFLC shall have no responsibility or liability to the Purchaser or any other person at any time with respect to any of the following:

(i) any liability, loss or damage caused or alleged to be caused by any inadequacy of the Equipment or deficiency or defect therein or by any other circumstance in connection therewith;

(ii) the use, operation or performance of any Units or risks relating thereto;

(iii) any interruption of service, loss of business or anticipated profits or consequential damages; or

(iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any of the Units. Purchaser's delivery of an Acceptance Certificate shall be conclusive evidence as between Purchaser, on the one hand, and WFLC, on the other hand, that the Units described therein are in all the foregoing respects satisfactory to Purchaser; and Purchaser will not assert any claim of any nature whatsoever against WFLC based on any of the foregoing matters.

(b) Purchaser agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless WFLC and its agents, employees, shareholders, officers and directors from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability), actions, suits, costs, expenses and disbursements (including, without limitation, reasonable legal fees and expenses) of any kind and nature whatsoever (hereafter referred to as "Claims") which may be imposed on, incurred or asserted against WFLC or such other persons, whether or not WFLC or such other persons shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Agreement or any document contemplated hereby, by the performance or enforcement and any of the terms hereof and thereof, or in any way relating to or arising solely out of the Units, including, without limitation, the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Unit or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement); provided, however, that Purchaser shall not be required to indemnify WFLC or any other such persons with respect to (i) any Claim in respect of any of the Units arising solely from acts or events that occur prior to the Acceptance Date with respect to each Unit, or (ii) any Claim resulting from the willful misconduct or gross negligence of WFLC as indemnified party. Purchaser agrees that WFLC shall not be liable to Purchaser for any Claim caused directly or indirectly by the inadequacy of any Unit for any purpose or any deficiency or defect therein or for the use or maintenance thereof of any repairs, servicing or adjustments thereto, all of which shall be the risk and responsibility of Purchaser. The rights and indemnities of Purchaser are expressly made for the benefit of, and shall be enforced by, WFLC (and any successor or assign of WFLC) notwithstanding the fact that WFLC

is not a party to any lease, sublease, sale or other agreement with respect to the Equipment entered or to be entered into by Purchaser.

6. Representations and Warranties of Purchaser. Purchaser represents and warrants to WFLC as follows:

(a) Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois. Purchaser has the requisite power and authority to enter into this Agreement and to carry out the transactions contemplated hereby and thereby. Purchaser is duly qualified to do business in all jurisdictions where the failure to so qualify would have an adverse effect upon Purchaser.

(b) The execution, delivery and performance of this Agreement has been duly authorized by all necessary action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding instrument of Purchaser enforceable against Purchaser in accordance with its respective terms.

(c) The execution, delivery and performance of this Agreement by Purchaser will neither (i) conflict with, violate or breach any provision of the bylaws, articles or certificate of incorporation of Purchaser or related agreements among the principals of the Purchaser or any order, writ, injunction, decree, law or regulation applicable to Purchaser or any of its respective property nor (ii) after a lapse of time, due notice or otherwise, violate, conflict with, require consent under, breach, cause a default or acceleration of performance in respect of, result in the creation of any Lien pursuant to, any agreement, contract, understanding, license, franchise, note, mortgage, bond or any obligation to which Purchaser is a party or by which Purchaser or its assets may be bound.

(d) Except for filings with the Interstate Commerce Commission ("ICC") and filings under the Uniform Commercial Code, no consent, approval or authorization of, or declaration or filing with, any federal, state, local or foreign government or regulatory authority on the part of the Purchaser is required in connection with the valid execution and delivery of this Agreement or the performance by Purchaser of the transactions contemplated hereunder.

(e) All financial statements of Purchaser heretofore delivered to WFLC are true and correct in all material respects and fairly present the financial condition and the results of the operations of Purchaser as of the dates and for the periods reflected therein. Further, since the date or dates of such financial statements, no material adverse change has occurred in the financial condition or operations of Purchaser.

7. Recording. Purchaser and WFLC agree to cause this Agreement to be filed with the Interstate Commerce Commission in accordance with 49 U.S.C. Section 11303. Further, Purchaser and WFLC will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or the other party for the purpose of proper protection of WFLC's interest in the Equipment, or to the extent relating to this Agreement or the Equipment for the purpose of carrying out the intention of this Agreement.

8. Events of Default; Remedies. Upon the happening of any of the following Events of Default:

(a) Purchaser shall fail to pay, when due, any part of the Purchase Price for any Unit;

(b) Any statement, representation or warranty made by Purchaser in this Agreement or in any financial statement, certificate or other instrument delivered under or pursuant to any provision hereof or thereof shall prove to have been false or incorrect on the date as of which made;

(c) Default shall be made in the due observance or performance of any covenant, condition or agreement on the part of Purchaser to be observed or performed pursuant to the terms hereof and such default shall not have been remedied to the satisfaction of WFLC within twenty (20) days after notice thereof shall have been given to Purchaser by WFLC;

(d) Purchaser shall default in respect of any obligation to pay money under any bond, debenture, note or other similar evidence of indebtedness then outstanding of, or assumed by, Purchaser, or under any agreement under which such bond, debenture, note or similar evidence of indebtedness is issued or any guarantee thereof by Purchaser, or in the due observance or performance of any covenant, condition or agreement on the part of Purchaser contained in any of the foregoing, if the effect of such default is to cause or to permit the holder or any trustee or similar person on behalf of such holder to cause such indebtedness to become due prior to its stated maturity, or if any such indebtedness shall mature and remain unpaid;

(e) Purchaser shall commence a voluntary case concerning itself under Title 11 of the of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is

commenced against Purchaser or the petition is controverted but is not dismissed within 60 days after the commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of Purchaser or Purchaser commences any other proceeding under any reorganization, arrangement, readjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to Purchaser or there is commenced against Purchaser any such proceeding which remains undismissed for a period of 60 days or Purchaser is adjudicated insolvent or bankrupt; or Purchaser fails to controvert in a timely manner any such case under the Bankruptcy Code or any such proceeding, or any order of relief or other order approving any such case or proceeding is entered; or Purchaser by any act or failure to act indicates its consent to, approval of or acquiescence in any such case or proceeding or in the appointment of any custodian or the like of or for it or any substantial part of its property or suffers any such appointment to continue undischarged or unstayed for a a period of 60 days; or Purchaser makes a general assignment for the benefit of creditors; or any corporate action by Purchaser is taken for the purpose of effecting any of the foregoing; or

(f) Final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against Purchaser and Purchaser shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within 60 days from the date of entry thereof and within said period of 60 days, or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

then, and in any such event, and at any time thereafter, if any Event of Default shall have occurred or be continuing, WFLC may exercise any or all remedies (which



remedies may be cumulative) available to it, at law or in equity, including but not limited to one or more of the following:

(i) seek specific performance of the terms and conditions of this Agreement, with respect to any and all Units to be purchased by Purchaser;

(ii) declare this Agreement terminated and cancelled, and obtain from the Purchaser monetary damages equal to the unpaid Purchase Price of any and all of the Units not yet purchased and paid for to WFLC's satisfaction;

(iii) pursue any and all legal, administrative or regulatory action against Purchaser as may be available to WFLC;

(iv) with or without notice, enter upon the premises of Purchaser or any third party in order to retake possession of any Unit previously accepted, but not yet paid for, by Purchaser; and

(v) obtain reimbursement from Purchaser for all costs, expenses, fees (including attorneys' fees) and charges incurred by, or on behalf of, WFLC resulting from Purchaser's breach or default under this Agreement.

9. Obligations Unconditional. Purchaser's obligations to pay the Purchase Price shall be absolute and unconditional and shall not be affected by any circumstance, including without limitation, (i) any set-off, counterclaim, recoupment, defense or other right that Purchaser may have against WFLC or anyone else for any reason whatsoever, (ii) any defect in the mechanical or structural integrity, condition, design, operation or fitness for use of, or any damage to or loss or destruction or

decline in value of, the Units, whether or not insured, or any interruption or cessation in the use or possession thereof by Purchaser for any reason whatsoever, (iii) any failure by a Lessee or sublessee of the Units to pay rent or any other default by a Lessee or sublessee under any Lease or sublease. Each payment by Purchaser shall be final, and Purchaser will not seek to recover all or any part of such payment from WFLC for any reason whatsoever.

10. Rights of Lessees under Leases. Purchaser and WFLC acknowledge the right of Lessees under Leases currently in existence with WFLC as lessor to purchase Units subject to said Leases (at the expiration, or following extension, of said Leases) at the then prevailing fair market value. In the event any Lessee exercises such purchase right, then WFLC will not be able to sell, and Purchaser will not be able to purchase, any such Unit so purchased by such Lessee.

11. Opinion of Counsel and Closing Documents. In connection with the consummation of the purchase transactions contemplated by this Agreement, Purchaser shall deliver to WFLC (i) an opinion, in form and substance satisfactory to WFLC, of Michael W. Wells, Esq., counsel for Purchaser, with respect to the matters set forth in Section 7(a)-(d) of this Agreement, and (ii) such other customary closing documents, certificates and instruments as WFLC may reasonably request.

12. Notices. Any notice or other communication required under this Agreement shall be effective only if it is in writing and delivered personally or sent by registered or certified mail, postage prepaid, addressed as follows:

If to WFLC:

Wells Fargo Leasing Corporation  
101 California Street, Suite 2800  
San Francisco, California 94111  
Attention: General Counsel

If to Purchaser:

American Railroad Maintenance Equipment, Inc.  
319 South Main Street  
P.O. Box 475  
Wayne City, Illinois 62895  
Attention: President

or such other address as any party may designate by notice to the other party, and shall be deemed to have been given as of the date so personally delivered or mailed.

13. Parties In Interest; Amendment. This Agreement is binding upon and is for the benefit of the parties hereto and their respective successors. This Agreement is not made for the benefit of any person, firm, corporation or association not a party hereto (or their respective successors), and no person, firm, corporation or association other than the parties hereto or the successors of either of them shall acquire or have any right under or by virtue of this Agreement. This Agreement cannot be amended or modified except by written agreement executed by the parties hereto.

14. Headings. The headings in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to effect the meaning or interpretation of this Agreement.

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

On this 6th day of December, in the year 1983, before me personally appeared Robert W. Venturi proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as President and on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

Debra K. Kersey

Notary Public  
Debra K. Kersey  
My Commission Expires: June 1, 1985  
Residing in Marion County

(Notary Seal)

STATE OF INDIANA )  
 ) SS:  
COUNTY MARION )

On this 6th day of December, in the year 1983, before me personally appeared Michael W. Wells proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Secretary and on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

Debra K. Kersey

Notary Public  
Debra K. Kersey  
My Commission Expires: June 1, 1985  
Residing in Marion County

(Notary Seal)

15. Entire Agreement. This Agreement supersedes any and all oral or written agreements, letters of intent and understanding heretofore made and relating to the subject matter hereof and contains the entire agreement of the parties relating to the subject matter hereof.

16. Governing Law. This Agreement shall be governed by, and construed in accordance with, the substantive laws of the State of California.

17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by the respective principals and officers thereunto duly authorized as of the date first above written.

WELLS FARGO LEASING  
CORPORATION

By 

Its  Vice President

By Edwin H. Clock

Its Vice President

AMERICAN RAILROAD  
MAINTENANCE EQUIPMENT, INC.

By 

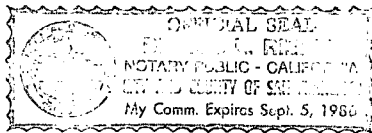
Its  President

By Arthur W. Wells

Its Secretary

STATE OF CALIFORNIA )  
 ) SS:  
COUNTY OF SAN FRANCISCO )

On this 8<sup>th</sup> day of December, in the year 1983, before me personally appeared Ronald E. Dean proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Sr. Vice President and on behalf of the corporation therein named and acknowledged to me that the corporation executed it.

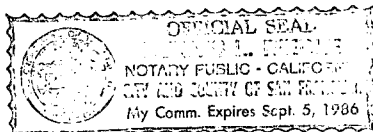


(Notary Seal)

Dennis F. Riedle  
Notary Public

STATE OF CALIFORNIA )  
 ) SS:  
COUNTY SAN FRANCISCO )

On this 8<sup>th</sup> day of December, in the year 1983, before me personally appeared Edwin H. Clock proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as Vice President and on behalf of the corporation therein named and acknowledged to me that the corporation executed it.



(Notary Seal)

Dennis F. Riedle  
Notary Public

# LOUISVILLE & NASHVILLE RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3600301	031	Tie Sprayer
3600301	032	Tie Sprayer
3600301	005	Kershaw Tie Saw
3600301	006	Kershaw Tie Saw
3600301	009	Plasser Tamper
3600301	012	Kershaw Dual Tie Saw
3600301	021	8 Rail Grinders
3600301	020	10 Rail Drills
3600301	023	Dual Tie Saw
3600301	024	Hydraspiker
3600301	026	Dual Tie Saw
3600301	027	Dual Tie Saw
3600301	029	Ballast Regulator
3600301	030	Ballast Regulator
3600301	028	Switch Tamper

# ST. LOUIS — SAN FRANCISCO RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500311	008	Ballast Regulators
3500311	009	Canson Mark II Tampers
3500311	011	Consolidator
3500311	012	Consolidator
3500311	010	Tamper
3500311	013	Yard Cleaner
3500311	015	Truss Tamper
3500311	014	Spike Setter



# BURLINGTON NORTHERN RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500246	003	Racine Anchor Applicato
3500246	001	Tamper EAJDG
3500246	002	Tamper BEB17
3500246	004	Tamper EAJG
3500246	005	Racine Anchor Applicato
3500246	006	Tamper EAJG
3500246	007	Tamper EAJG
3500246	008	Tamper EAJG
3500246	009	Tamper BEB17
3500246	012	Tamper BEB17
3500246	013	Kershaw Ballast Regulato
3500246	017	Jackson Tamper 2800
3500246	018	Jackson Tamper 2800
3500246	019	Nordberg Hydraspiker
3500246	020	Nordberg Hydraspiker
3500246	021	RMC Auto-spiker
3500246	022	RMC Auto-spiker
3500246	010	Portable Air Compressors
3500246	011	Portable Air Compressors
3500246	014	Portable Air Compressors
3500246	015	Elec Tamper
2500246	016	Elec Tamper
3500246	023	Dual Spike Driver
3500246	026	Kershaw Ballast Regulato
3500246	027	Kershaw Ballast Regulato
3500246	028	Galion Diesel Crane
3500246	029	Fairmont Tie Remover
3500246	024	Tamper
3500246	025	Tamper
3500246	030	Hydraulic Mobile Crane

# ILLINOIS CENTRAL RAILROAD

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3500410	006	Mark II Autojack Tamper
3500410	007	Mark II Autojack Tamper
3500410	008	Mark II Autojack Tamper
3500410	009	Mark I 16-Tool Tamper
3500410	010	Mark I 16-Tool Tamper
3500410	011	Mark I 16-Tool Tamper
3500410	012	Mark II Autojack Tamper
3500410	013	Mark I 16-Tool Tamper
3500410	014	Mark I 16-Tool Tamper
3500410	016	Mark I 16-Tool Tamper
3500410	017	Mark II Autojack Tamper
3500410	018	Mark II Autojack Tamper
3500410	015	Mark I 16-Tool Tamper
3500410	019	Mark II Autojack Tamper

# SOUTHERN PACIFIC

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100419	001	Ballast Regulator
3100401	014	Ballast Equipment
3100401	018	Spike Driver
3100419	003	Tie Handler
3100401	157	Yard Handlers
3100401	031	Tie Remover
3100401	034	Tamper Elec
3100401	038	Spike Pullers
3100419	006	Spike Puller
3100401	114	Automatic Liner
3100401	131	Tampers
3100443	530	Tie Sprayer
3100401	170	Ballast Equipment
3100401	169	Tamper
3100427	003	Tamper MK I
3100401	173	Tamper MK I
3100401	175	Ballast Regulator
3100401	176	Ballast Regulator
3100401	180	Ballast Regulator
3100427	002	Scarifier
3100401	177	Tie Handler
3100401	182	Ballast Regulator
3100401	183	Ballast Regulator
3100401	186	Spot Tamper
3100427	001	Tie Handler
3100401	187	Roadmaster
3100401	189	Tamper
3100401	191	Electric Tamper
3100401	192	Crib Cleaner
3100401	193	Spot Tamper
3100401	199	Tamper
3100401	234	Spike Driver
3100401	235	Tamper
3100401	236	Cleaner
3100427	004	Spike Puller
3100401	242	Regulator
3100401	244	Gaging Mac
3100401	245	Tie Bed
3100401	246	Spike Driver
3100401	248	Lift Truck
3100401	249	2 Regulators
3100401	250	Cleaner
3100401	251	Regulators
3100401	253	Regualtor
3100401	258	Regualtor
3100401	259	Tie Bed
3100401	264	Tie Crane

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100401	274	Tie Bed
3100401	277	Electric Tamper
3100401	280	Spike Puller
3100401	281	Spike Puller
3100401	294	Track Liner
3100427	005	Regulator
3100401	279	Spike Puller
3100401	289	Hydr Tie
3100401	291	Tamper
3100443	392	Ballast Regulator
3100443	391	Gagin Machine
3100443	390	Yard Cleaner
3100443	393	Ballast Regulator
3100443	405	Ballast Regulator
3100443	406	Ballast Regulator
3100443	408	Yard Cleaner
3100443	413	Regulator
3100443	422	Tie Remover
3100433	423	Tie Remover
3100433	436	Tie Remover
3100427	021	Tie Remover
3100427	022	Tie Remover
3100443	412	Regulator
3100443	420	Tamper
3100443	414	Ballast Regulator
3100443	419	Ballast Regulator
3100443	437	Spike Puller
3100443	415	Hydra Spiker
3100443	438	Spike Puller
3100443	416	Ballast Regulator
3100443	478	Spike Driver
3100443	417	Ballast Regulator
3100427	019	Rail Lifter
3100443	435	Hydraspiker
3100443	456	Tamper
3100443	469	Rail Lifter
3100443	470	Rail Lifter
3100443	471	Rail Lifter
3100443	472	Rail Lifter
3100443	473	Rail Lifter
3100411	476	Rail Lifter
3100443	577	Rail Lifter
3100427	016	Sweeper
3100443	459	Spike Puller
3100443	460	Spike Puller
3100443	467	Spike Puller
3100443	428	Power Sweeper
3100443	465	Tie Crane
3100427	020	Tie Crane

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100443	461	Spike Puller
3100443	444	Tamper
3100443	466	Tie Handlers
3100443	508	Spike Puller
3100443	483	Gager
3100443	489	Brush
3100443	491	Brush
3100443	487	Brush
3100443	458	Sweeper
3100443	463	Spike Puller
3100443	464	Spike Puller
3100443	481	Tamper
3100443	486	Brush
3100443	479	Tamper
3100443	490	Brush
3100443	493	Rail Lifter
3100443	484	Tamper
3100443	488	Brush
3100443	462	Spike Puller
3100443	492	Rail Lifter
3100443	497	Tie Handler
3100443	485	Track Broom
3100443	498	Switch Tamper
3100443	507	Rail Lifter
3100443	512	Tamper
3100443	514	Tamper
3100443	513	Tamper
3100443	499	Tamper
3100443	500	Tamper
3100443	517	Tie Handler
3100443	519	Tamper
3100443	520	Tie
3100443	522	Tie Handler
3100443	523	Tie Handler
3100443	524	Tie Handler
3100443	528	Prime Mover
3100443	574	Rail Lifter
3100443	539	Hydra Tie
3100443	572	Rail Lifter
3100443	541	Track Liner
3100443	542	Rail Lifter
3100443	553	Tie Removers
3100443	575	Rail Lifter
3100443	573	Rail Lifter
3100443	545	Track Liner
3100443	546	Track Liner
3100443	547	Track Liner
3100443	581	Spike Driver
3100443	554	Track Liner
3100443	555	Track Liner
3100443	558	Spike Drivers
3100443	560	Spike Drivers
3100443	580	Tie Bed

<u>Lease Number</u>	<u>Schedule Number</u>	<u>Equipment Description</u>
3100443	584	Spike Driver
3100443	559	Spike Driver
3100443	583	Spike Driver
3100443	562	Track Liner
3100443	563	Track Liner
3100443	561	Tie Remover
3100443	564	Track Liner
3100442	571	Tie Remover
3100443	565	Tie Bed
3100443	582	Spike Driver
3100443	567	Spike Driver
3100443	566	Track Liner
3100443	570	Tie Bed
3100443	578	Tie Bed
3100443	579	Insertter
3100401	292	Tamper
3100401	293	Tie Bed
3100401	295	Track Liner
3100401	926	Regulator
3100401	301	Hydra Tie
3100401	302	Tamper
3100401	303	Tamper
3100401	308	Tie Remover
3100401	315	Tamper
3100401	318	Tamper
3100401	320	Tamper
3100401	316	Regulators
3100401	321	Tamper
3100401	322	Tamper
3100401	323	Tamper
3100401	329	Tamper
3100401	330	Tamper
3100427	006	Tie Remover
3100401	326	Tamper
3100401	327	Tamper
3100401	333	Tamper
3100401	355	Tamper
3100443	360	Spike Driver
3100443	361	Hydraspiker
3100443	362	Hydraspiker
3100443	367	Hydraspiker
3100443	368	Hydraspiker
3100443	370	Yard Cleaner
3100443	371	Yard Cleaner
3100443	375	Spike Driver
3100443	378	Spike Driver
3100443	379	Spike Driver
3100443	380	Spike Driver
3100443	381	Tamper
3100443	383	Spike Driver
3100443	383	Spike Driver
3100443	384	Spike Driver